

## Message Text

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PAGE 01 STATE 042334  
ORIGIN ARA-14

INFO OCT-01 ISO-00 SS-15 EB-08 HA-05 TRSE-00 SP-02  
AID-05 SSO-00 CIAE-00 INRE-00 NSCE-00 /050 R

DRAFTED BY ARA/ECA:STMYLES/RCGRAHAM  
APPROVED BY D:THE DEPUTY SECRETARY  
EB/ODF:FNASH (DRAFT)  
HA:MBOVA (DRAFT)  
TREASURY:ANACHMANOFF (SUBS)  
S/P:JWALKER (DRAFT)  
LA/SA:RWEBER (DRAFT)  
LA/DP:DUPTON (DRAFT)  
RA/ECA:RWZIMMERMANN  
ARA:JBUSHNELL

-----058403 170325Z /61

O 170247Z FEB 78  
FM SECSTATE WASHDC  
TO AMEMBASSY ASUNCION IMMEDIATE

C O N F I D E N T I A L STATE 042334

FOR AMBASSADOR WHITE

E.O. 11652: GDS

TAGS: EFIN, SHUM, PA

SUBJECT: IFI LOAN TO PARAGUAY

REF: ASUNCION 0358, ASUNCION 0610

1. THE U.S. WILL VOTE AGAINST THE \$33 MILLION IBRD LOAN  
FOR THE FIFTH HIGHWAY PROJECT IN VIEW OF THE CURRENT  
HUMAN RIGHTS SITUATION IN PARAGUAY.

2. THE IBRD BOARD IS EXPECTED TO VOTE ON THIS LOAN ON  
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FEBRUARY 21. YOU SHOULD INFORM FOREIGN MINISTER NOGUES  
THAT THE HUMAN RIGHTS SITUATION IN PARAGUAY DOES NOT  
PERMIT US TO SUPPORT THE LOAN. AS YOU ARE AWARE, WE WERE  
UNABLE TO SUPPORT THE TRANS-CHACO LOAN APPLICATION TO THE  
IDB IN DECEMBER IN THE ABSENCE OF A SPECIFIC DATE FOR THE  
IAHRC VISIT, AND THE LOAN WAS WITHDRAWN FROM CONSIDERATION  
AT THAT TIME. THERE APPEAR TO BE NO SIGNIFICANT HUMAN

RIGHTS IMPROVEMENTS WHICH WOULD JUSTIFY AT THIS TIME AN AFFIRMATIVE VOTE FOR THE \$33 MILLION IBRD LOAN. WE WILL SHORTLY COMPLETE OUR REVIEW OF YOUR RECOMMENDATION FOR A NEW IFI LOAN STRATEGY.

3. THE FIFTH HIGHWAY PROJECT LOAN IS THE IBRD LOAN REFERRED TO IN PARA. 3 OF THE REFTEL. THE PROJECT WOULD ASSIST THE GOP IN: (A) UPGRADING A HIGH PRIORITY ROAD FROM CORONEL OVIEDO-TACURA-SAN ESTANISLAO; (B) STRENGTHENING AND EXPANDING THE CAPACITY OF THE MINISTRY OF PUBLIC WORKS TO ENSURE AN ADEQUATE LEVEL OF MAINTENANCE, INCLUDING THE RESEALING OF THE PARAGUARI-ENCARNACION ROAD; AND (C) CONTINUING THE STRENGTHENING OF TRANSPORT PLANNING AND COORDINATION. WE ARE POUCHING TO YOU COPIES OF THE LOAN DOCUMENT RECEIVED BY THE DEPARTMENT ON FEBRUARY 10.

4. IN YOUR MEETING WITH STROESSNER, YOU SHOULD TAKE NOTE OF THE ABOVE DECISION, BUT NOT SPECIFICALLY LINK OUR VOTE ON THIS LOAN TO THE IAHRC VISIT. RATHER YOU SHOULD STRESS THE FACT THAT THE BASIC HUMAN RIGHTS SITUATION REMAINS AS DESCRIBED IN OUR HUMAN RIGHTS REPORT TO CONGRESS. THEREFORE WE SUGGEST GOP WITHDRAW THE LOAN AND HAVE IT COME FORWARD AT A LATER DATE WHEN THE HUMAN RIGHTS SITUATION MAY PERMIT A MORE FAVORABLE ATTITUDE. IF IT COMES TO THE IBRD BOARD NEXT WEEK WE  
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WOULD BE OBLIGED TO VOTE NO. VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** HUMAN RIGHTS, VOTING, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE042334  
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**Document Unique ID:** 00  
**Drafter:** STMYLES/RCGRAHAM  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780072-1124  
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**Original Handling Restrictions:** n/a  
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**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Subject:** IFI LOAN TO PARAGUAY  
**TAGS:** EFIN, SHUM, PA, IBRD  
**To:** ASUNCION  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014